

Report To: **OVERVIEW (AUDIT) PANEL**

Date: 30 July 2018

Reporting Officer: Kathy Roe – Director of Finance
Wendy Poole – Head of Risk Management and Audit Services

Subject: **ANNUAL GOVERNANCE STATEMENT 2017/18**

Report Summary: To present the Annual Governance Statement for 2017/18 to Members for approval (**Appendix 1**).

Recommendations: To approve the Annual Governance Statement for 2017/18, ahead of it being signed by the Executive Leader and Chief Executive.

Links to Community Strategy: Demonstrates proper Corporate Governance.

Policy Implications: The Governance Statement demonstrates proper compliance with the Accounts and Audit Regulations 2015.

Financial Implications: Sound corporate governance and proper systems of internal control are essential for the long-term financial health and reputation of the Council.
(Authorised by the Section 151 Officer)

Legal Implications: The production of the statement meets the requirements of the Accounts and Audit Regulations 2015.
(Authorised by the Borough Solicitor)

Risk Management: The statement provides assurance that the Council has a sound system of corporate governance in place. It is considered to be an important public expression of how the Council directs and controls its functions and relates to its community.

Access to Information: The background papers can be obtained from the author of the report, Wendy Poole, Head of Risk Management and Audit Services by:

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1. INTRODUCTION

- 1.1 Corporate Governance is the system by which the Council directs and controls its functions and relates to its community. This is the means by which sound and ethical practice can be assured and unacceptable practice identified and eradicated. Historically there has been a general recognition that all local authorities should be seen to meet the highest standards and governance arrangements that should not only be sound but need to be seen to be sound by the public.
- 1.2 The issues faced by local authorities in recent years reflecting social, economic, and legislative change have led to new, diverse ways of working as opposed to traditional roles. The common theme that continues to run through Government initiatives is the need for local authorities to review the various systems and processes they have in place for managing both their internal affairs and their relationships with their expanding number of key stakeholders. Together these systems comprise corporate governance.

2. ANNUAL GOVERNANCE STATEMENT

- 2.1 The preparation and publication of an Annual Governance Statement is necessary to meet the requirements set out in Regulation 6 of the Accounts and Audit Regulations 2015. It requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control” and “following the review, the body must approve an annual governance statement prepared in accordance with proper practices in relation to internal control”.
- 2.2 The Annual Governance Statement is based on:-
- AGS Self-Assessment Checklists and signed Assurance Statements;
 - Head of Risk Management and Audit’s Annual Report;
 - Medium Term Financial Plan/Budget Report;
 - Review of System of Internal Audit;
 - Annual Audit Letter;
 - Role of the Chief Financial Officer;
 - Role of the Head of Internal Audit;
 - Corporate Plan; and
 - Statutory Inspections.
- 2.3 This list is not exhaustive but it details the key elements of the assurance framework used to support the production of the Annual Governance Statement.
- 2.4 The Annual Governance Statement covers both Tameside MBC and the Greater Manchester Pension Fund.
- 2.5 The Draft Annual Governance Statement was presented to the Single Leadership Team for challenge and comments on 8 May 2018 and then presented to the Audit Panel on 29 May 2018. Consultation with Executive Members was undertaken during June 2018.
- 2.6 The Draft Annual Governance Statement was submitted to External Audit for review at the end of May 2018.
- 2.7 All comments received including those from External Audit have been incorporated into the final version which is attached at **Appendix 1** for approval.
- 2.8 Once approved by the Panel, the Annual Governance Statement will be signed by the Executive Leader and Chief Executive.

2.9 The Annual Governance Statement covers the governance framework in place for 2017/18 and up to the date the accounts are signed off by External Audit.

3. RECOMMENDATION

3.1 As set out at the front of the report.